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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

NIC# 02291/88
24 June 1988

MEMORANDUM FOR: National Foreign Intelligence Board Principals

FROM: MG Larry D. Budge, USA
National Intelligence Officer for
General Purpose Forces

SUBJECT: SNIE 11-16-88: The Likelihood and Implications of a
Soviet Conventional Arms Control Gambit (S)

1. The Terms of Reference (TOR) for subject Special National Intelligence Estimate (SNIE) are appended (Attachment 1) for your review. []

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2. We believe circumstances favor dramatic initiatives by the Soviets in conventional arms control over the next six months and tenuous indications of moves in this direction are already being mentioned in some reporting. This SNIE will attempt to anticipate more likely Soviet initiatives and focus on the effects of these initiatives on the military balance, the Soviet economy, and the reactions among Western allies. Because of the complexity of this issue and the short time involved, we anticipate convening brief (one day) sessions of experts to provide input and assistance. Alternatively, we may need to assign contributing component assessments to be compiled by individual agencies. Please ensure your representatives are prepared to address your agency's capabilities to provide assistance in both formats. (S)

3. The drafter of the SNIE is [], CIA/DI/SOVA [] or [] Publication date is tentatively scheduled for August 1988. The manager of the SNIE is [] of NIO/GPF []

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4. The TOR meeting will be hosted by NIO/GPF in Room 6D49, CIA Headquarters at 1000 on Monday, 11 July 1988. Request your representatives advise

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of their plans to attend by COB 7 July 1988.


Larry D. Budge

Attachment:
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TERMS OF REFERENCE

SNIE 11-16-88: The Likelihood and Implications of a Soviet
Conventional Arms Control Gambit [REDACTED]

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CONCEPT PAPER

This estimate assesses the possible content, likelihood, and implications of Soviet initiatives--either as a negotiation proposal or a unilateral initiative--to curtail conventional arms. [REDACTED]

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Several convergent circumstances may have placed the Soviets in a position where significant unilateral conventional arms reductions or proposals for mutual reductions will serve their national interest and place the US in a reactive posture:

- ° The massive procurement of Soviet armaments from the early 1970s to the 1980s has provided a modernized combined arms force which is probably larger than that required by the NATO "threat."
- ° Even highly asymmetrical reductions--3:1 or 4:1 in NATO's favor--could weaken NATO without significantly diminishing Warsaw Pact strength..
- ° Retention of obsolescent arms provides a huge Soviet/Warsaw Pact inventory of relatively less effective, man-intensive weaponry ripe for retirement.
- ° The Soviet economy is not responding to perestroyka, leading Gorbachev to seek additional resources from other sectors of the economy, particularly defense.
- ° Perestroyka will create unprecedented demands for skilled Slavic technicians coincident with a declining manpower pool.
- ° Gorbachev's public relations agenda seeks to portray a less threatening, more accommodating, less militarized Soviet Union.
- ° The recent INF agreement and publicity regarding possible 50 percent cuts in strategic arms have led to heightened expectations among the Western public that conventional cuts are in the offing.

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- ° There is a popular perception within NATO that defense spending should be reduced.
- ° There is relatively little agreement within NATO as to a common position or a strategy for achieving conventional arms reductions.
- ° The upcoming US election campaign and the subsequent government transition will increase US difficulties in responding to a Soviet initiative and complicate negotiations with NATO allies. [REDACTED]

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The foregoing appear to offer the Soviet leadership the opportunity to seize the initiative in conventional arms control at relatively low cost. Proposals for deep mutual conventional arms cuts could put pressure on a new US administration to agree to proposals which might erode the conventional imbalance even further in the Soviets' favor in Central Europe. Unilateral Soviet initiatives could provide the Soviets with a significant propaganda coup. This estimate, outlining possible Soviet initiatives, their effect on the military balance, and probable allied reaction over the next year would enable US policymakers to consider alternative responses to these initiatives. We do not intend to cover possible CBW proposals in this SNIE. [REDACTED]

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The premise of this estimate is highly speculative and will require examination of military, economic, and political issues from both the Soviet and NATO view. In addition to capitalizing on current research available, we intend to bring experts together for "brainstorming" sessions to consider various key issues within the estimate. An August July publication is desired. [REDACTED]

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KEY QUESTIONS

- I. What are the incentives--political (internal and external), economic or military--for the Soviets to propose significant conventional arms control initiatives?
- II. What are the internal political dynamics which might encourage or impede Soviet arms control initiatives?
- III. What significant cuts might the Soviets propose/unilaterally make, and what would the results be on the military balance? What are the likelihoods of the various initiatives and why?
- IV. How much warning of a Soviet decision/announcement might we expect?
- V. What are likely reactions of NATO/other Allies of the US to possible Soviet initiatives?

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OUTLINE

- I. What are the incentives--political (internal and external), economic or military--for the Soviets to propose significant conventional arms control initiatives?
 - °Past Soviet arms control initiatives (particularly Gorbachev era)
 - °Soviet external political objectives
 - °Soviet economic requirements
- II. What are the internal political dynamics which might encourage or impede Soviet arms control initiatives?
- III. What significant cuts might the Soviets propose/unilaterally make, and what would the results be on the military balance?
 - °Early Retirement of Equipment/Demobilization of Personnel
 - °Reductions in Numbers of Units
 - °Operational Restraints
 - °Elimination/Reduction of Weapons Systems
 - °East/West military balance
 - °A combination unilateral cut/deep mutual proposal

Would Central Europe be the only area considered?

What are the likelihoods of the various initiatives and why?
- IV. How much warning of a Soviet decision/announcement might we expect?
 - °What are the indicators that might precede the decision/announcement?

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V. What are likely reactions of NATO/other Allies of the US to possible Soviet initiatives?

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°What are the implications for NATO and US?

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